

RULES

Effective 6/4/97

- 1. Use a ten minute S&P chart. (Alternatively, an 89 tick bar chart can be used, if circumstances warrant. The 288 chart should be monitored for re-entries and alternative entries using Bullseye (P) and CBI. The same entry and exit trading rules as outlined below should be applied on the 288 chart.)**
- 2. Apply the Pander and Bullseye (P) indicators with BMI L & S ColorBars. The Bullseye (P) is to be only used for entries or re-entries if the Pander21® is already long or short. The CBI may be used to help confirm an entry, but is not to be used as the sole criteria for an entry.**
- 3. Place entry stop 1.30 points above the high or below the low of the signal bar, i.e., where the Pander line crosses the center or zero line.**
- 4. \$500.00 initial target using the following guidelines.**
- 5. Initial \$2.00 stop loss. Automatic exit *without fail* if signal crosses in opposite direction.**
- 6. At \$1.00 accumulated profit, place a break-even stop *without fail*.**
- 7. If the trade shows solid strength and shows an accumulated profit of 1.40 to 1.80, then stay with it and protect the first dollar of profit with a stop. *Without fail*.**
- 8. If the above is true, then use a \$1.50 trailing stop after protecting the first dollar of profit.**
- 9. Don't reach for trades, however, take every trade that meets the criteria. *Place orders as soon as the signal bar closes*. Remember to cancel orders if signal is lost at completion of subsequent bars.**
- 10. Do the above, do it well, and the profits will take care of themselves.**

Note: Depending on market conditions (like we're experiencing at this time), it is probably better to wait until the signal is hit, and then go with a limit order within .20 of the original entry number. This what I have been using lately. Occasionally, you may not get your price. If that happens, then just wait for next signal.